

4/9/17

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed agreement with Boingo Wireless, Inc. (Boingo) for upgrade, management and operation of the Wi-Fi network at Los Angeles International Airport (LAX).

Recommendations for Council action:

- 1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
- 2. APPROVE the seven-year operating agreement with Boingo.
- 3. CONCUR with the Board's action of June 4, 2015 by Resolution No. 25722 authorizing the Executive Director, Los Angeles World Airports (LAWA), to execute the agreement with Boingo for upgrade, management and operation of the Wi-Fi network at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed agreement will have no impact on the City's General Fund or LAWA's Capital or Operating Budgets. There is, however, a revenue impact on LAWA. Executing the proposed contract with Boingo will result in a minimum of \$800,000 in annual revenue to LAWA (excluding the annual Consumer Price Index escalator) in addition to an Annual Contingent Fee. Over the seven-year term, LAWA estimates that revenues will exceed \$5.9 million. Beyond the revenue being generated, Boingo has committed to a minimum investment of \$1.5 million to upgrade the LAX Wi-Fi infrastructure.

Community Impact Statement: None submitted.

TIME LIMIT FILE – JULY 5, 2015

(LAST DAY FOR COUNCIL ACTION – JULY 1, 2015)

SUMMARY

At the meeting held on June 9, 2015, your Trade, Commerce and Tourism Committee considered a LAWA transmittal relative to a seven-year agreement with Boingo for the upgrade, management, and operation of the existing Wi-Fi network (local area wireless computing network or Internet system) at LAX. The CAO reports that the term of the agreement is seven years, from June 26, 2015 to June 30, 2022, which will result in a minimum of \$800,000 in revenue to LAWA the first year and a minimum of \$5.9 million over the term of the agreement. In addition, the contractor will invest \$1.5 million in infrastructure improvements. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal.

This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

A handwritten signature in blue ink, appearing to read "Paul Bonin", with a long horizontal flourish extending to the right.

MEMBER **VOTE**

LABONGE: YES

BUSCAINO: YES

BONIN: YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-